128-661

TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1888.

No. 1081.

JOHN P. KENNEDY, APPELLANT,

vs.

MILTON W. HAZELTON.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS.

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INDEX.

	Original.	Print.
Caption	1	1
Bond for costs	2	1
Bill of complaint	3	1
Exhibit A—Assignment of Hazelton to Kennedy, July 10, 1884	18	10
Order to show cause, &c.	21	12
Subpœna	23	12
Marshal's return	24	13
Order extending rule to show cause, &c.	25	13
Order " " "	27	14
Appearance for defendant	28	14
Demurrer	26	15
Demurrer	31	16
Order exteneing rule to show cause, &c.	33	17
taking demurrer under advisement	33	17
Opinion	35	17
Decree	39	19
Order allowing appeal	40	20
Appeal bond	41	20
Clerk's certificate	44	21
Assignment of errors	45	22

JUDD & DETWEILER, PRINTERS, WASHINGTON, SEPTEMBER 24, 1888.

1 Pleas in the circuit court of the United States of America for the northern district of Illinois, held at the United States court-rooms, in the city of Chicago, in the district aforesaid, before the Hon. Henry W. Blodgett, district judge of the United States for the northern district of Illinois, on Tuesday, the third day of January, 1888, in the December term of said court, in the year of our Lord one thousand eight hundred and eighty-seven, and of our Independence the one hundred and twelfth year.

WM. H. BRADLEY, *Clerk.*

NORTHERN DISTRICT OF ILLINOIS, *ss*:

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

Be it remembered that on the twelfth day of November, 1887, came the complainant, by his solicitors, and filed in the office of the clerk of the circuit court of the United States for the northern district of Illinois, at Chicago, in said district, his bond for costs and bill of complaint in said above-entitled cause; which said bond and bill are in the words and figures following, to wit:

2 *Bond for Costs.*

UNITED STATES OF AMERICA,
Northern District of Illinois, } *ss:*

Circuit Court. October Term, A. D. 1887. In Equity.

JOHN P. KENNEDY *vs.* MILTON W. HAZELTON.

I enter myself security for costs in this cause and promise to pay all costs which may accrue to the opposite party in this action or to any of the officers of this court, and in default of payment by the complainant of any costs ordered or adjudged to be paid by him I hereby agree and stipulate that execution may issue against my property for any costs taxed against complainant.

Dated this 12th day of November, A. D. 1887.

EPHRAIM BANNING.

Endorsed: Filed Nov. 12, A. D. 1887. Wm. H. Bradley, clerk.

3 In the Circuit Court of the United States for the Northern District of Illinois.

To the judges of the circuit court of the United States for the northern district of Illinois:

John P. Kennedy, of the city of New York, and a citizen of the State of New York, brings this his bill against Milton W. Hazleton, a citizen of the State of Illinois and an inhabitant of and resident in the district aforesaid, and thereupon your orator complains and says:

I.

I am by profession a mechanical engineer, and as such I was for many years practically engaged in the construction of gas works in the various cities of the Union, including therein the city of New York. In connection with the business aforesaid I operated an extensive iron works in which the various apparatus required for these gas works was manufactured. In the construction of such gas works I manufactured or purchased boilers of the types then popularly known. While so engaged I was elected as president of the New York Mutual Gas-Light Company, and of which and for many years previously I had been the managing director. During the time and prior to my election to the presidency of the company I sought to secure a boiler adapted to the utilization of the waste combustible products of these gas works as fuel for the production of heat and steam. Such waste products consisted of fine charcoal and coke breeze, and were useless and would have to be removed at considerable expense unless they could be made to enter into the economies of the business. Thereafter I abandoned the business of
4 constructing gas works and was succeeded therein by my son, Edward S. T. Kennedy, and Asa W. Wilkinson, by whom the business of such construction was thereafter carried on. I, however, still retained a general interest therein and knowledge thereof, and was still generally interested in the effort which was being made to secure a boiler having the capacity of utilization of such refuse products as aforesaid, and was cognizant of the efforts of the said Edward S. T. Kennedy in that regard.

II.

The defendant, Milton W. Hazleton, introduced himself to me some time in the year 1879 as a mechanic and as having a general knowledge of mechanics, and asserted that he had made certain improvements in appliances for the production of steam, and that he was the inventor of a device for saving fuel in the operation of steam-boilers. He described the apparatus to me, and I informed him that the same had been in use for some time at the gas works aforesaid, and he expressed his surprise and doubt, and I thereafter caused him to accompany me to the works and exhibited the arrangement and demonstrated to him the similarity; but as he had patented his device and I was induced to believe, through his representations, that it had great commercial value, and in response to his statement that he was in great need of money, I paid him $2,500 for one-half interest in the patent, which at my request he assigned to my son, Edward S. T. Kennedy. I also agreed to furnish the necessary capital to introduce the improvement generally throughout the country.
The attempt of Hazleton to introduce the said patented in-
5 vention into use was not sufficiently successful to reimburse me the amount of my purchase.

III.

Subsequently the said Hazleton advised me that he had invented

a new and useful improved sectional boiler and requested me to defray the expense of procuring letters patent of the United States therefor. I had a drawing made of this boiler and agreed to incur the expense of procuring a patent on the condition that the said Hazleton should assign such letters patent when applied for to himself jointly with my said son; and thereupon and on about the 30th day of August, 1879, an application for such patent was made by the said Hazleton and at my expense, and the said Hazleton did thereupon assign the said application to himself jointly with my said son; and thereafter, on the 17th of February, 1880, letters patent of the United States were issued to him and the said Edward S. T. Kennedy for the said invention and improvement, and such letters patent were numbered 224,685. Thereafter my said son and the said Hazleton constructed several boilers in accordance with said patent and introduced the same into practical use in said gas works and elsewhere, and such refuse was therein consumed. The said Hazleton derived a profit from the construction and sale thereof and claimed to be entitled as between himself and the said Edward S. T. Kennedy in the sum of $3,000, part of the moneys received on such construction and sale, and such sum was collected and retained by the said Hazleton.

6 IV.

Thereafter the said Hazleton claimed to have invented a new and improved sectional steam-boiler, being an improvement upon the boiler described and claimed in the boiler patent last above mentioned. The said Hazleton thereupon applied to me to defray the expense of procuring letters patent of the United States therefor, and I agreed so to do on the condition that the said Hazleton should assign the application for said letters patent to himself jointly with my said son; and thereupon and on or about the 5th of August, 1881, an application for such letters patent was made by the said Hazleton and at my expense; and the said Hazleton did thereupon assign the said application to himself jointly with the said Edward S. T. Kennedy, and on the 4th day of October, 1881, letters patent of the United States were issued to him and the said Edward S. T. Kennedy therefor, and the same were numbered 247,910. One boiler constructed in accordance with said last-named patent was erected in the said gas works, and I had knowledge thereof, and such refuse was consumed in connection therewith.

V.

Subsequently, as I am informed and believe, the said Hazleton went to the city of Chicago, and was absent from the city of New York until the spring of 1884.

VI.

Thereafter the said Hazleton resumed business relations with the said Edward S. T. Kennedy, having for their object the manufacture

and sale of boilers constructed in accordance with letters pat-
7 ent 247,910. Such relations were not mutually agreeable, and to terminate the same amicably, and to retain for the business of my said son the benefit of the experience, knowledge, and inventive faculty and ability of the said Hazleton, I agreed with him to purchase from him his one-half interest in the said last two patents for the sum of $10,000, upon the condition, then assented to by the said Hazleton, that in consideration of such purchase and sum the said Hazleton would assign and transfer to me any and all letters patent of the United States which he might thereafter obtain for improvements in horizontal and upright boilers for stationary, portable, and marine purposes, and in locomotive boilers, and in the plan or construction of boilers of any kind, and that he would not assign such inventions as aforesaid as he might make or the patents obtained thereon to any other person, firm, or corporation. The said agreement was carried into execution, and thereupon the said Hazleton made, executed, and delivered to me an assignment of his interest in the said two patents, of which a copy is hereto annexed, marked Schedule A, and is hereby made part thereof. And on the same date, to wit, on the 10th day of July, 1884, and in performance of the said condition and upon the said consideration, the said Hazleton made and executed, under his hand and seal, and delivered to me another instrument in writing in the words and figures following, to wit:

"In consideration of one dollar to me in hand paid by John P. Kennedy, of New York, the receipt of which is hereby acknowledged, I hereby agree to assign and transfer to the said Kennedy, his legal representatives and assigns, any and all patents I may hereafter obtain from the United States or the Dominion of Canada for the following inventions, to wit:

8 For improvements in horizontal and upright boilers for stationary, portable, and marine purposes, and also any and all reissues or extensions thereof.

For improvements in locomotive boilers and also any and all reissues or extensions thereof.

For improvements in the plan or construction of boilers of any kind.

And I do hereby agree and undertake not to assign the aforesaid inventions which I may make or the patents obtained thereon to any other person or persons, firm or firms, corporation or corporations.

In witness whereof I have hereunto set my hand and seal this 10th day of July, 1884.

MILTON W. HAZLETON. [L. S.]

In presence of—
JOHN A. ROEBUCK."

"STATE OF NEW YORK, }
City and County of New York, } *ss:*

On this 10th day of July, 1884, before me personally came Milton

W. Hazleton, to me personally known and known to me to be the person described in and who executed the foregoing agreement to make certain assignments, and acknowledged that he executed the same for the purposes therein mentioned.

[L. S.] JAMES E. CHANDLER,
Notary Public, New York County."

And said instrument was recorded in the Patent Office of the United States on the 13th of September, 1884, in Liber X 32, page 95, of Transfers of Patents, as by the said instrument which I now here bring into court will more fully and at large appear.

9 The said $10,000 was paid to the said Hazleton partly in cash and partly by an allowance by him of the $3,000, so as aforesaid received by him, or a portion thereof, and the residue in my promissory notes of $1,000 each, payable yearly. All of said notes have been paid with the exception of three, which are yet outstanding and not due.

VII.

After such sale and purchase by me the said Hazleton remained with the said Edward S. T. Kennedy as a salesman on commission, and so remained until the latter part of 1885. During that time the said Hazleton publicly stated that he had made improvements upon the steam-boilers so as aforesaid patented by him, and explained and delineated the same by lead-pencil drawings, and suggested as the name therefor "the Tripod boiler." He also stated that the general plan of such improvements was to divide the stand pipe used in the construction of said patented boilers into two or three hollow parts or water-legs extending through the brick work enclosure of the boiler and terminating at the floor level of the boiler-room, and also a change in the form of the steam take-off pipe and steam-separating device as used in said patented boilers.

Some time during the same season of 1885 the said Hazleton requested that he might be granted an exclusive right to sell said patented boilers in the State of Pennsylvania, and that the same should be manufactured and sold to him by the said Edward S. T. Kennedy at and for the price of $9 per horse-power, with the privilege to him, the said Hazleton, of reselling the same at any price he could obtain therefor, and receiving and retaining the difference as a profit to himself. This request was, with other requests of

10 the said Hazleton, declined by the said Edward S. T. Kennedy. I am informed and believe that the said Hazelton has subsequently averred and now avers that he had a verbal contract with the said Edward S. T. Kennedy touching such an arrangement with reference to the State of Pennsylvania, and that the said Edward S. T. Kennedy violated the same, and that by reason of such violation the said Hazleton was deprived of the sum of $25,000, which he could have made therefrom.

VII.

The said Hazleton left the employment of the said Edward S. T.

Kennedy as a salesman as aforesaid in or about the latter part of 1885, and thereafter, as I am informed and believe, was a portion of the time in the city of Chicago and also a portion of the time in the city of New York.

IX.

While the said Hazleton was so employed as salesman the said Edward S. T. Kennedy continued the manufacture and sale of boilers made in acordance with the said patents, and the same were largely introduced into use and are now being largely used by the public under the name of "the Hazleton boiler;" and the said Edward S. T. Kennedy so sold the same to be used on yachts and for stationary purposes. The fact of such sales and the names and residences of the purchasers were, as I am informed and believe, well known to the said Hazleton.

X.

Thereafter, as I am informed and believe, and after said Hazleton had so left his employment as salesman he commenced to
11 circulate reports derogatory to the reputation and moral character of myself and of my son, and derogatory also to the reputation of the said boilers so made and sold by him, and publicly alleged that the said boilers were improperly and imperfectly constructed and were made by the use of poor and imperfect materials, and were not safe, but were dangerous, and by means thereof undertook to arrest the further sale by my said son of such boilers and the further conduct of his business in that regard, and to deprive him of the benefits of such business and of the use of the said two patents. I was irritated by such information and by such reports, and as a means of redress therefor I refused to pay certain of said notes as they fell due, and I was sued thereon. I subsequently, however, paid such notes, and such suits were, as I am informed and believe, discontinued.

XI.

Thereafter, as I am informed and believe, the said Hazleton formed the acquaintance, either in the city of Chicago or in the city of New York, of one Henry C. Goulding, who was at one time employed by a cable railroad company in the city of Chicago, and was subsequently employed by a cable company in the city of New York as an engineer, on a salary. I am informed and believe that the said Goulding while so employed was not accredited by the officers of the said company as possessing inventive ability.

XII.

The said Hazleton, having so made the acquaintance of the said Goulding, combined and confederated with him to evade and avoid the effect of the said transfer to myself of the 10th of July, 1884, as hereinbefore set forth, and of the record thereof in the Patent
12 Office of the United States, and to that end caused to be prepared at the expense of him, the said Hazleton, but in the

name of the said Henry C. Goulding, the necessary papers for the procurement of letters patent of the United States for the said invention of the said Hazleton so made known by him and so by him denominated "the Tripod boiler;" and the said Goulding, for the purpose of enabling the said Hazleton to evade his said covenant of the 10th of July, 1884, and without any consideration received from the said Hazleton therefor, did assent to be used in that regard as the alleged inventor of the said improvement, and thereupon, as I am informed and believe, the said Goulding, acting at the request and by the procurement of the said Hazleton, filed an application for the said improvement, or, in other words, for the said "Tripod boiler," on the tenth of April, 1886, and such application was allowed on the 30th of the same month. Thereafter and before the issuance of a patent on such application the said Goulding made, executed, and delivered to the said Hazleton an instrument of assignment in these words:

"Whereas I, Henry C. Goulding, of the city, county, and State of New York, did make application for letters patent of the United States for a new and useful improvement in steam-boilers, which invention is fully described in the specification appertaining to said application, which I have signed under oath, and which application was filed April 10th, 1886, Serial No. 198,437, and allowed April 30th, 1886:

"Now, this indenture witnesseth: That, for and in consideration of the sum of one dollar to me in hand paid, the receipt of which I acknowledge, I do hereby sell, assign, and transfer unto Mil-
13 ton W. Hazleton, of the city aforesaid, all my right, title, and interest in and to the said improvement and the letters patent therefor, when granted, the same to be held and enjoyed by the said Milton W. Hazleton and assigns as fully and entirely as the same would have been held and enjoyed by me if the assignment and sale had not been made; and I do hereby request and authorize the Commissioner of Patents to issue said letters patent, when granted, to the said Milton W. Hazleton as the sole assignee of my whole right and title therein.

"Witness my hand and seal this first day of June, 1886.

"H. C. GOULDING. [L. S.]

"Sealed and delivered in presence of—

"JACOB J. STORER."

Thereafter, and on the 14th day of December, 1886, letters patent of the United States No. 349,039 for the said so-called "Tripod boiler" were issued to the said Milton W. Hazleton as assignee of the said Henry C. Goulding. I now here bring into court a certified copy of the said letters patent and of the specifications and drawings attached thereto, and I hereby make profert of the same as part hereof.

XII.

I aver, upon information and belief, that the said Milton W. Hazleton was the true, original, and first inventor of the improvements recited and claimed in the said last-named letters patent, and that the same were not nor was either of them the invention of the said Henry C. Goulding; that the use of the name of the said Henry C. Goulding was accorded by him with knowledge as aforesaid of the purpose or effect thereof and without consideration, and solely
14 with the intent of enabling the said Hazleton to avoid and evade the effect of his aforesaid assignment and the record thereof; that said improvement and invention and said letters patent No. 349,039 were embraced in and covered by said covenant of the 10th of July, 1884, and that, as matter of equity and right, I am now and have been since the issuance of the said letters patent No. 349,039 the equitable owner thereof, and that the ownership thereof by the said Hazleton is illegal and inequitable and only as trustee for my benefit, and that he ought to be decreed to assign and transfer by a good and sufficient legal title the said letters patent, and the full and exclusive ownership thereof, to myself under and pursuant to his covenant and agreement in that regard hereinbefore set forth.

XIV.

Thereafter, as I am informed and believe, the said Hazleton commenced the manufacture and sale in the city of Chicago of boilers constructed in accordance with said letters patent No. 349,039, also in accordance with said letters patent No. 224,685 and 247,910, and embracing in each thereof the said three patented improvements, and is now so engaged in constructing and selling the same, and has derived and received and is now deriving and receiving great benefits and advantages therefrom. The said Hazleton now also claims that the said boilers so manufactured by him are an improvement on the boilers patented by him and now manufactured by the said Edward S. T. Kennedy under the name of the Hazleton Boiler Company of New York City, and the said Hazleton so asserts in circulars which he has issued to those engaged in the manufacture and use of steam-boilers. I aver, as I am advised, that the manufacture
15 and sale by the said Hazleton of boilers containing the inventions and improvements recited and claimed in said letters patent No. 349,039 is an infringement of said patent and of my rights as the equitable owner thereof.

XV.

After I had paid my said notes which were so as aforesaid sued, and on or about the 13th of October, 1887, I received from the said Hazleton a letter, of which a copy is hereto annexed and hereby made part hereof.

XVI.

I aver that the said patent No. 349,039 is of value, and that the right to the sole and legal ownership thereof and to the exclusive enjoyment of the privileges thereby created and conferred exceeds, exclusive of interest and costs, the sum or value of $5,000.

XVII.

I aver, as I am informed and believe, that I am remediless at the common law and in the courts of the several States, and that I can have adequate relief only in a court of equity of the United States where such matters are properly cognizable.

Wherefore I pray that by a decree of this court the said Milton W. Hazleton, the defendant, may be compelled by good and sufficient instrument to assign, transfer, set over, and convey unto me the said letters patent No. 349,039 and all his and a good and legal right, title, and interest in and to the same; that pending this suit the said Milton W. Hazleton may be preliminarily enjoined from selling, assigning, transferring, or encumbering in any way
16 by assignment, grant, license, or otherwise the said letters patent and the exclusive right and privileges thereby created and conferred; that my title to the said letters patent No. 349,039 may be adjudged and decreed to have accrued and been equitably vested in me upon the said 14th day of December, 1886, and that an account of the profits which the said Milton W. Hazleton may have made or received or to which he may be entitled from or by the use of the said letters patent No. 349,039 may be taken by and under the direction of this court, and that the said Milton W. Hazleton may be decreed to pay the amount found due on such accounting, and that pending this suit the said Milton W. Hazleton may be enjoined and restrained from manufacturing and selling, or either, any boilers constructed in accordance with or containing the improvements described in said letters patent No. 349,039. I pray such other relief or such further or such different relief herein as to the court may seem meet.

To the end, therefore, that the said defendant may, if he can, show why I should not have the relief hereby prayed, and may full, true, direct, and perfect answer make, but not under oath, which is hereby waived, and according to the best of his knowledge, remembrance, information, and belief, to the several matters hereinbefore averred and set forth as fully and particularly as if the same were here repeated paragraph by paragraph and he was specially interrogated thereunto severally:

May it please your honors to grant unto me a writ of *subpœna ad respondendum*, issuing out of and under the seal of this honorable court, directed to the said defendant, Milton W. Hazleton, com-
17 manding him to appear and make answer to this bill of complaint, and to perform and abide by such orders and decrees herein as to this court may seem required by the principles of equity and good conscience.

May it please your honors also to grant unto me a provisional or

preliminary injunction, issuing out of and under the seal of this honorable court, enjoining and restraining the defendant, his attorneys, solicitors, agents, and workmen, to the same purport, tenor, and effect as is hereinbefore prayed.

And I will ever pray, &c.

JOHN P. KENNEDY.

BANNING & BANNING,
Solicitors for Plaintiff and with Clarence A. Seward, of Counsel.

CLARENCE A. SEWARD,
Of Counsel.

UNITED STATES OF AMERICA, }
Southern District of New York, } ss:

On this seventh day of November, 1887, before me came John P. Kennedy, the plaintiff named in the foregoing bill of complaint and who has signed the same, and he, being by me duly sworn, did depose and say that he had heard the said bill of complaint read and knew the contents thereof, and that the same was true, to his own knowledge, except as to the matters which are therein stated to be on information and belief, and that as to those matters he believed the same to be true; and he did further depose and say that he did verily believe that Milton W. Hazleton, in said bill named, was the true, original, and first inventor of each and every of the improvements in sectional steam-boilers recited and claimed in letters
18 patent of the United States No. 349,039, in said bill referred to.

[SEAL.] JOSEPH GUTMAN, JR.,
United States Commissioner for the Southern District of New York.

A.

Know all men by these presents that whereas I, Milton W. Hazleton, and one Edward S. T. Kennedy are the owners of certain letters patent granted either to myself alone or as assignor to myself and said Edward S. T. Kennedy by the Government of the United States, as follows:

1. For a sectional boiler, which letters patent bear date February 17th, 1880, and are numbered 224,685.

2. For a sectional steam boiler, which letters patent bear date October 4th, 1881, and are numbered 247,910.

And whereas John P. Kennedy, of the said city of New York, is desirous of purchasing all the right, title, and interest which I have in and to said several inventions in consequence of the grant of said several letters patent therefor, my said interest in each thereof being an undivided one-half:

Now, therefore, I, the said Milton W. Hazelton, in consideration of one dollar to me paid before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, and for other considerations moving to me from said John P. Kennedy, have sold,

assigned, transferred, and set over, and by these presents do sell, assign, transfer, and set over, unto the said John P. Kennedy, his legal representatives and assigns, all the right, title, and in-
19 terest which I have in and to the said inventions as secured by the said several letters patent; to have and to hold the same to the said John P. Kennedy, his legal representatives and assigns, for his and their own use and benefit, to the full end of the terms respectively for which said letters patent were or may be granted as fully and entirely as the same would have been held by me had this assignment not been made.

And I do for myself, my heirs, executors, administrators, and assigns, covenant with the said John P. Kennedy, his legal representatives and assigns, that I have good right to assign my said interest in said several letters patent as aforesaid, and that he, the said John P. Kennedy, his legal representatives and assigns, shall and may have, hold, occupy, possess, and enjoy the said letters patent so assigned against the lawful claims of all persons whatsoever; and I, the said Milton W. Hazleton, do hereby further covenant and agree to and with the said John P. Kennedy, his legal representatives and assigns, that my said interest in the said several letters patent and each thereof assigned as aforesaid now is free and clear of and from all other or former assignments, licenses, grants, bargains, sales, leases, judgments, and encumbrances whatsoever.

In witness whereof I have hereunto set my hand and seal this 10th day of July, 1884.

MILTON W. HAZLETON. [SEAL.]

In presence of—
JOHN A. ROEBUCK.

20 STATE OF NEW YORK, }
City and County of New York, } *ss:*

On this 10th day of July, 1884, before me personally came Milton W. Hazelton, to me personally known and known to me to be the person described in and who executed the foregoing assignment, and he acknowledged to me that he executed the same for the purposes therein mentioned.

[SEAL.] JAMES E. CHANDLER,
Notary Public, New York County.

Endorsed: Filed Nov. 12, 1887. Wm. H. Bradley, clerk.

21 On the same day, to wit, on the twelfth day of November, in the adjourned October term of said court, 1887, in the record of the proceedings thereof in said entitled cause, before Hon. Henry W. Blodgett, district judge, is the following entry, to wit:

Order.

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

Upon reading and filing the bill, affidavits, and schedules and upon the service of copies of the same and of the subpœna herein let the said defendant show cause before this court, at a term thereof to be held at its court-rooms, in the city of Chicago, on Monday, the twenty-eighth day of November, instant, at ten o'clock in the forenoon, why a provisional or preliminary injunction should not issue herein according to the prayer of the bill in that behalf, and why the plaintiff should not then and there have such other relief or such further or different relief herein as to the court then and there may seem meet, and in the meantime and until the return day of this order and the decision of the court thereon, sufficient statutory reason existing therefor, the defendant, Milton W. Hazelton, his agents, solicitors, attorneys, and servants, are and each of them is hereby enjoined and restrained from selling, transferring,
22 conveying, assigning, or encumbering in any way certain letters patent of the United States number 349,039, dated September 14, 1886, issued to Henry C. Goulding, of New York, N. Y., assignor to Milton W. Hazelton, for new and useful improvements in steam-boilers, and from making any grant, assignment, or license thereof or thereunder or in any other way alienating or encumbering the said letters patent or the right, title, and interest thereof or thereunder or thereto, and from granting to any person, firm, company, or corporation any grant, assignment, or license oral, equitable, legal, verbal, or in writing, or otherwise to use the said letters patent or to make, vend, or use the invention therein described and claimed.

23 On the same day, to wit, on the twelfth day of November, 1887, there issued out of said clerk's office a writ of subpœna in said entitled cause; which said writ, together with the return of the marshal endorsed thereon, is in the words and figures following, to wit:

Subpœna.

UNITED STATES OF AMERICA,
Northern District of Illinois, } *ss:*

The United States of America to Milton W. Hazelton, Greeting:

We command you that you appear before our judges of our circuit court of the United States of America for the northern district of Illinois, at Chicago, in said district, on the first Monday in the month of December next, to answer the bill of complaint of John P. Kennedy, this day filed in the clerk's office of said court, in said city of Chicago, then and there to receive and abide by such judg-

ment and decree as shall then or thereafter be made upon pain of judgment being pronounced against you by default.

To the marshal of the northern district of Illinois to execute.

Witness the Hon. Morrison R. Waite, Chief Justice of the Supreme Court of the United States of America, at Chicago aforesaid,
24 this 12th day of November, in the year of our Lord one thousand eight hundred and eighty-seven and of our Independence the 112th year.

[SEAL.] WM. H. BRADLEY, *Clerk.*

Memorandum.

The above-named defendant is notified that unless he shall enter his appearance in the clerk's office of said court, at Chicago aforesaid, on or before the day to which the above writ is returnable the complainant's bill will be taken against him as confessed, and a decree entered accordingly.

WM. H. BRADLEY, *Clerk.*

Marshal's Return.

I have served the within writ within my district in the following manner, to wit: Upon Milton W. Hazelton, therein named, on the 28th day of November, A. D. 1887, by delivering a true copy of the same to him on that day. I also at the same time delivered to said Milton W. Hazelton a certified copy of the bill herein and affidavits and a restraining order, dated November 12th, A. D. 1887; also a certified copy of a restraining order, dated November 28th, A. D. 1887, in the within-entitled cause.

F. H. MARSH,
U. S. Marshal,
By GEO. N. JONES, *Deputy.*

Endorsed: Filed Nov. 29, A. D. 1887. Wm. H. Bradley, clerk.

25 Afterwards, to wit, on the twenty-eighth day of November, in the adjourned October term of said court, 1887, in the record of the proceedings thereof in said entitled cause, before Hon. Henry W. Blodgett, district judge, is the following entry, to wit:

Order.

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

It appearing to the court that the marshal has not been able to get service of the rule or order entered herein on the twelfth day of November, instant, it is now hereby ordered that said rule be extended and made returnable on Monday, the fifth day of December,

1887, and that in the meantime and until the return of this order on the said fifth day of December and the decision of the court thereon, the defendant, Milton W. Hazelton, his agents, solicitors, attorneys, and servants, are, and each of them is hereby, enjoined and restrained from selling, transferring, conveying, assigning or encumbering in any way said letters patent number 349,039, dated September 14, 1886, issued to Henry C. Goulding, assignor to Milton W. Hazelton, for new and useful improvements in steam-boilers, and from making any grant, assignment, or license thereof or thereunder or in
26 any other way alienating or encumbering the said letters patent or the right, title, and interest thereof or thereunder or thereto, and from granting to any person, firm, company, or corporation any grant, assignment, or license, oral, equitable, legal, verbal, or in writing, or otherwise to use the said letters patent or to make, vend, or use the invention therein described and claimed.

27 Afterwards, to wit, on the fifth day of December, in the adjourned October term of said court, 1887, in the record of the proceedings thereof in said entitled-cause, before Hon. Henry W. Blodgett, district judge, is the following entry, to wit:

Order.

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

By agreement of the parties it is ordered that the restraining order heretofore entered in above cause be continued in full force and effect until Monday, the twelfth day of December, 1887, and that the said twelfth day of December be the day on which said defendant is required to show cause, etc., instead of Monday, the fifth instant, as specified in the order now in force.

28 Afterwards, to wit, on the ninth day of December, 1887, came the defendant, by his solicitors, and filed in said clerk's office his appearance in said entitled cause; which said appearance is in the words and figures following, to wit:

Appearance.

United States Circuit Court, Northern District of Illinois. In Chancery.

JOHN P. KENNEDY *vs.* MILTON W. HAZELTON.

We hereby enter an appearance for the defendant in the above-entitled cause.

Chicago, Dec. 9, 1887.

WEST & BOND,
Sol'rs for Def't.

Endorsed: Filed Dec. 9, 1887. Wm. H. Bradley, clerk.

29 On the same day, to wit, on the ninth day of December, 1887, came the defendant, by his solicitors, and filed in said clerk's office two demurrers to the bill in said entitled cause; which said demurrers are in the words and figures following, to wit:

Demurrer.

United States Circuit Court, Northern District of Illinois. In Chancery.

MILTON W. HAZELTON *ads.* JOHN P. KENNEDY.

The demurrer of Milton W. Hazelton, defendant, to the bill of complaint of John P. Kennedy, complainant.

This defendant, by protestation, not confessing or acknowledging all or any of the matters and things in the said bill of complaint contained to be true in such manner and form as the same are therein and thereby set forth and alleged, demurs to so much of said bill as seeks to compel an assignment by the defendant to the complainant of the patent No. 349,039 in the bill mentioned, and for cause of demurrer shows as follows: That, as appears by the allegations of the bill, the said patent is absolutely void and this court should not decree an assignment of such void patent; that the facts set
30 forth in such portion of the bill are not sufficient to give this court jurisdiction as to the subject-matter thereof.

WEST & BOND,
Sol'rs for Def't.

We certify that in our opinion the foregoing demurrer of Milton W. Hazelton, defendant, to the bill of complaint of John P. Kennedy, complainant, is well founded in law and proper to be filed in the above cause.

WEST & BOND,
Sol'rs & of Counsel for Def't.

STATE OF ILLINOIS, } *ss:*
County of Cook, }

Milton W. Hazelton, the defendant, on oath states that he has heard read the foregoing demurrer to the bill of complaint of John P. Kennedy in this suit, and that the same is not interposed for the purpose of delaying said suit or any proceedings therein.

MILTON W. HAZELTON.

Subscribed and sworn to before me this 9th day of December, 1887.

[SEAL.] ALBERT H. ADAMS,
Notary Public.

Endorsed: Filed Dec. 9, 1887. Wm. H. Bradley, clerk.

31 *Demurrer.*

United States Circuit Court, Northern District of Illinois. In Chancery.

MILTON W. HAZELTON *ads.* JOHN P. KENNEDY.

The demurrer of Milton W. Hazelton, defendant, to the bill of complaint of John P. Kennedy, complainant.

This defendant, by protestation, not confessing or acknowledging all or any of the matters and things in the said bill of complaint contained to be true in such manner and form as the same are therein and thereby set forth and alleged, demurs to said bill and for cause of demurrer shows as follows:

That the complainant has not in and by his said bill made or stated such a case as entitles him in a court of equity to any discovery or relief from or against this defendant touching the matters contained in the said bill or any of such matters.

That the bill embraces two separate and distinct causes of action, one to enforce the specific performance of a contract, the other for the infringement of a patent.

That, as appears by the allegations of the bill, the said pat-
32 ent No. 349,039, granted to the said Hazelton, is absolutely void, and no suit can be maintained either to compel its transfer or for infringement thereof.

WEST & BOND,
Sol'rs for Def't.

We certify that in our opinion the foregoing demurrer of Milton W. Hazelton, defendant, to the bill of complaint of John P. Kennedy, complainant, is well founded in law and proper to be filed in the above cause.

WEST & BOND,
Sol'rs & of Counsel for Def't.

STATE OF ILLINOIS, } *ss:*
County of Cook, }

Milton W. Hazelton, the defendant, on oath states that he has heard read the foregoing demurrer to the bill of complaint of John P. Kennedy in this suit, and that the same is not interposed for the purpose of delaying said suit or any proceedings therein.

MILTON W. HAZELTON.

Subscribed and sworn to before me this — day of December, A. D. 1887.

[SEAL.] ALBERT H. ADAMS,
Notary Public.

Endorsed: Filed Dec. 9, 1887. Wm. H. Bradley, clerk.

33 Afterwards, to wit, on the twelfth day of December, in the adjourned October term of said court, 1887, in the record of the proceedings thereof in said entitled cause, before Hon. Henry W. Blodgett, district judge, is the following entry, to wit:

Order.

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

Upon stipulation this day filed it is ordered that the restraining order heretofore entered herein be continued in force until Monday, the nineteenth instant, on which day the defendant is hereby required to show cause, etc., instead of this twelfth instant, as specified in the order entered herein the fifth instant.

Afterwards, to wit, on the nineteenth day of December, in the December term of said court, 1887, in the record of the proceedings thereof in said entitled cause, before Hon. Henry W. Blodgett, district judge, is the following entry, to wit:

Order.

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

34 Now come the parties, by their solicitors, and now comes on to be heard the defendant's demurrer to the bill herein, and, after hearing the arguments of counsel, the court takes the same under advisement, and it is ordered that the restraining order herein continue in force until the final hearing of this cause.

Afterwards, to wit, on the third day of January, 1888, there was filed in said clerk's office the opinion of Judge Blodgett in said entitled cause; which said opinion is in the words and figures following, to wit:

35 United States Circuit Court, Northern District of Illinois. In Chancery.

JNO. P. KENNEDY *vs.* MILTON W. HAZLETON.

JAN. 3, 1888.

BLODGETT, *J.* (orally):

The bill in this case charges that on the 10th of July, 1884, the complainant entered into a contract with the defendant, Milton W. Hazleton, by which the latter agreed to assign to the complainant any and all patents which he might thereafter obtain from the United States or the Dominion of Canada for certain inventions referring to

steam-boilers. The bill then avers that shortly after the making of this contract Hazleton announced that he had in his mind an invention for the improvement of steam-boilers, explained some of the features of it to persons with whom he talked on the subject, and stated that he should call it a "Tripod boiler," stating the general features of the new device, and especially that he was to divide the stand-pipe into two or three hollow parts or water-legs extending through the brick-work.

The bill then further avers that Hazleton afterwards formed the acquaintance of one Henry C. Goulding and combined and confederated with him to avoid the effect of the contract with complainant heretofore mentioned, and caused to be prepared at his, Hazleton's, own expense, but in the name of Goulding, the necessary
36 papers for the procurement of letters patent of the United States for the said invention so made known by him and denominated the "Tripod boiler," and that Goulding, for the purpose of enabling Hazleton to avoid his said contract with complainant, and without any consideration received from Hazleton therefor, did assent to be used on the record as the alleged inventor of said improvement, and thereupon Goulding, acting at the request and by the procurement of Hazleton, filed an application on April 10th, 1886, in the Patent Office, and such proceedings were had on the application as that on September 14, 1886, letters patent of the United States No. 349,039 for the said so-called "Tripod boiler" were issued to the said Hazleton as assignee of the said Henry C. Goulding.

The bill then further avers that Hazleton, on receiving this patent as the assignee of Goulding, the pretended inventor, proceeded to put the invention in use, and has made large profits by the use of this invention, and is continuing to enjoy the fruits of said invention, contrary to his said agreement with complainant, and refuses to assign the same to complainant; and the prayer of the bill is that Hazleton be compelled by the decree of this court to specifically perform the contract which he made with complainant, and to assign to the complainant the patent in question, which is still owned by Hazleton, and also that an accounting be had of the profits made by Hazleton by the use of said patented device, and that he be compelled to pay such profits to the complainant.

37 The defendant demurs to the bill and relies upon two grounds for his said demurrer: First, that the bill is multifarious in that it seeks not only a specific performance of the contract, but also seeks an accounting for the profits which have been made by Hazleton from the use of the patent; secondly, that by the showing of the bill itself the complainant is entitled to no relief, because, if the statements in the bill are true, and they must be taken as true for the purposes of this demurrer, the patent issued to Goulding is void, inasmuch as there can be no patent issued except to the inventor of the device covered by it. The latter ground I propose to consider first.

The bill charges that Hazleton was the real inventor of the device covered by this patent; that for the purpose of evading his contract

with the complainant he entered into a conspiracy with Goulding by which the latter, falsely pretending to be the inventor, filed his application for a patent and took such steps as that the patent was issued upon such application, when in fact Hazleton was the inventor of the device.

There can be no doubt, I think, on the assumption that the statements in the bill are true, that this patent is void in the hands of Hazleton at the present time and would be void in the hands of complainant; that patent was obtained by fraudulent statements made by Goulding that he was the inventor; and as Goulding could take nothing by his false and fraudulent statements so Hazleton
38 took nothing by the assignment of this void patent from Goulding; and if this court should grant the prayer of this bill and decree an assignment of this patent to complainant the court would put complainant in a position to impose upon the public by a fraudulent and void patent, as, according to the bill, Hazleton has been doing.

It is urged that it does not lie in the mouth of Hazleton to object that this patent is void so long as he has by his own acts given it currency and dealt with it as valid, and there might be some force in this point if the bill did not show that the patent is totally valueless and void *ab initio* from the fraudulent practices by which its issue was obtained, so that a court of equity would abuse its high character and prerogative by treating this patent as property. It would be as consistent for the court to compel the conveyance of lands which a party held or pretended to hold under a forged deed when the party seeking to compel such conveyance knows of the forgery. This objection to the bill seems to me so unanswerable that I do not deem it necessary to discuss the question of multifariousness made by the demurrer.

The demurrer is sustained and the bill dismissed.

Endorsed: Filed Jan. 3, 1888. Wm. H. Bradley, clerk.

39 On the same day, to wit, on the third day of January, 1888, in the December term of said court, 1887, in the record of the proceedings thereof in said entitled cause, before Hon. Henry W. Blodgett, district judge, is the following entry, to wit:

Decree.

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

Now again come the parties, by their solicitors, and the court having considered the demurrer to the bill herein sustains the same; and thereupon it is ordered and adjudged that said bill be dismissed at complainant's costs, and that execution issue therefor.

40 Afterwards, to wit, on the ninth day of January, 1881, in the December term of said court, 1887, in the record of the

proceedings thereof in said entitled cause, before Hon. Henry W. Blodgett, district judge, is the following entry, to wit:

Order.

JOHN P. KENNEDY
vs.
MILTON W. HAZELTON. } In Chancery.

Now comes the complainant, by Mr. Banning, his solicitor, and prays an appeal from the order dismissing this cause entered herein on the third instant to the Supreme Court of the United States, which is allowed upon his giving bond according to law in the penal sum of two hundred dollars, with surety, to be approved by the court.

41 Afterwards, to wit, on the thirty-first day of January, 1888, there was filed in said clerk's office an appeal bond in said entitled cause; which said appeal bond is in the words and figures following, to wit:

Appeal Bond.

In the United States Circuit Court for the Northern District of Illinois. In Equity.

JOHN P. KENNEDY *vs.* MILTON W. HAZELTON.

Know all men by these presents that we, John P. Kennedy, the complainant above named, a citizen of the State of New York, residing in the city of New York, principal, and Edward S. T. Kennedy, a citizen of the State of New York, residing in the city of New York, and Thomas A. Banning, a citizen of the State of Illinois, residing in the city of Chicago, sureties, are held and firmly bound unto Milton W. Hazelton, a citizen of the State of Illinois, residing in the city of Chicago, the defendant above named, in the sum of two hundred dollars ($200), to be paid to the said Milton W. Hazelton, his heirs, executors, administrators, and assigns, and to which payment, well and truly to be made, we, the said John
42 P. Kennedy, Edward S. T. Kennedy, and Thomas A. Banning, do by these presents, jointly and severally, bind ourselves, our heirs, executors, administrators, and assigns, firmly by these presents.

The condition of the above obligation is such that whereas lately, at the December term, 1887, of the United States circuit court for the northern district of Illinois, in a suit pending in said court between the said John P. Kennedy, complainant, and the said Milton W. Hazelton, defendant, a decree was entered against the said John P. Kennedy dismissing his bill of complaint in above cause and for costs; and whereas the said John P. Kennedy has taken an appeal to the Supreme Court of the United States to reverse said decree:

Now, therefore, if the above-named John P. Kennedy shall prosecute his appeal to a final decision and pay all damages and costs if he fail to make his appeal good, then the above obligation to be void; otherwise to remain in full force and effect.

In witness whereof we have hereunto set our hands and affixed our seals this 26th day of January, 1888.

JOHN P. KENNEDY. [SEAL.]
E. S. T. KENNEDY. [SEAL.]
THOMAS A. BANNING. [SEAL.]

W. C. BESSON.

STATE OF NEW YORK, } ss:
City and County of New York, }

43 I, W. C. Besson, a notary public in and for the city and county of New York, do hereby certify that John P. Kennedy and E. S. T. Kennedy, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as having executed the same, appeared before me this day in person and acknowledged that they signed, sealed, and delivered the said instruas their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal this 28th day of January, A. D. 1888.

[SEAL.] W. C. BESSON,
Notary Public, 70, *N. Y. Co.*

Approved:
H. W. BLODGETT, *Judge.*

Endorsed: Filed Jan'y 31, 1888. Wm. H. Bradley, clerk.

44 NORTHERN DISTRICT OF ILLINOIS, ss:

I, William H. Bradley, clerk of the circuit court of the United States for said northern district of Illinois, do hereby certify the above and foregoing to be a true and complete transcript of the record of all the proceedings had in said court in the cause wherein John P. Kennedy is the complainant and Milton W. Hazelton is the defendant, as the same appear from the files and records of said court now remaining in my custody and control.

In testimony whereof I have hereunto set my hand and affixed the seal of said court, at my office, in Chicago, in said district, this thirteenth day of February, 1888.

[Seal of Circuit Court U. S., Northern Dist. Illinois, 1855.]

WM. H. BRADLEY, *Clerk.*

45 *Assignment of Errors.*

Circuit Court of the United States, Northern District of Illinois. In Equity.

JOHN P. KENNEDY *vs.* MILTON W. HAZELTON.

And now comes the complainant, and, for assignment of errors, states that the court erred—

1. In dismissing the bill of complaint herein.
2. In the reasons assigned therefor.
3. In holding—

(*a.*) That the patent to Henry C. Golding, mentioned in the bill of complaint herein, was to be considered void as between the complainant and defendant.

(*b.*) That the defendant was not estopped from insisting upon the invalidity of the patent.

(*c.*) That the court could properly consider the question of the validity or invalidity of the patent in a bill for the specific performance of a contract to assign the same.

BANNING & BANNING,
Solicitors for Appellant.

CLARENCE A. SEWARD,
Of Counsel.

Endorsed on cover: N. Illinois C. C. U. S. No. 1081. John P. Kennedy, appellant, *vs.* Milton W. Hazelton. Filed September 7, 1888.

Supreme Court of the United States,

OCTOBER TERM, 1888.

No. 1081.

JOHN P. KENNEDY,

Appellant,

vs.

MILTON W. HAZELTON.

BRIEF FOR PLAINTIFF ON SUBMISSION.

BANNING & BANNING,
CLARENCE A. SEWARD,
Of Counsel.

NEW YORK:
DOUGLAS TAYLOR, BOOK & LAW PRINTER, 89 NASSAU STREET, COR. FULTON.
1888.

Supreme Court of the United States.

JOHN P. KENNEDY,
Appellant,

vs.

MILTON W. HAZELTON.

No. 1081.

Case submitted under the 20th Rule.

THE PLAINTIFF'S CASE.

Hazelton was the joint owner with Mr. E. S. T. Kennedy, who is a son of the plaintiff, of Letters Patent of the United States Nos. 224,685 and 247,910 for improvements in sectional steam boilers.

On the 10th of July, 1884 (p. 4), Hazelton assigned his one-half interest in these two patents to the plaintiff and at the same time he executed and delivered to the plaintiff an instrument in writing which was duly recorded in the Patent Office, in these words:

"In consideration of one dollar to me in hand paid by John P. Kennedy, of New York, the receipt of which is hereby acknowledged, I hereby agree to assign and transfer to the said Kennedy, his legal representatives and assigns, any and all patents I may hereafter obtain from the United States or the Dominion of Canada for the following improvements, to wit:

For improvements in horizontal and upright boilers for stationary, portable and marine purposes, and also any and all reissues or extensions thereof.

For improvements in locomotive boilers, and also any and all reissues or extensions thereof.

For improvements in the plan or construction of boilers of any kind.

And I do hereby agree and undertake not to assign the aforesaid inventions which I may make or the patents obtained thereon to any other person or persons, firm or firms, corporation or corporations.

In witness whereof I have hereunto set my hand and seal this 10th day of July, 1884.

MILTON W. HAZLETON. [L.S.]"

The consideration for these transfers was the sum of $10,000.

After these transfers the bill alleges that the said Hazelton, who remained in the employment of the said E. S. T. Kennedy,

"Stated that he had made improvements upon the steam boilers so as aforesaid patented by him, and explained and delineated the same by lead-pencil drawings, and suggested as the name therefor 'the Tripod boiler.' He also stated that the general plan of such improvements was to divide the stand-pipe used in the construction of said patented boilers into two or three hollow parts or water legs extending through the brick-work enclosure of the boiler and terminating at the floor level of the boiler-room, and also a change in the form of the steam take-off pipe and steam-separating device as used in said patented boilers. * * * Hazelton left the employment of the said E. S. T. Kennedy and formed the acquaintance of one Henry C. Goulding, who was at one time employed by a cable railroad company in the city of Chicago, and was subsequently employed by a cable company in the city of New York as an engineer, on a salary, and was not accredited by the officers of the said company as possessing inventive ability.

Hazelton having so made the acquaintance of the said Goulding, combined and confederated with him to evade and avoid the effect of the said transfer of the 10th of July, 1884, and of the record thereof in the Patent Office, and to that end caused to be prepared at the expense of the said Hazelton, but in the name of the said Goulding, the necessary papers for the procurement of Letters Patent of the United States for the said invention of the said Hazelton so made known by him and so by him denominated 'the Tripod boiler'; and the said Goulding, for the purpose of enabling the said Hazelton to evade his said covenant of the 10th of July, 1884, and without any consideration received from the said Hazelton therefor, did assent to be used in that regard as the alleged inventor of the said improvement, and thereupon the said Goulding, acting at the request and by the procurement of the said Hazelton, filed an application for the said improvement, or, in other words for the said 'Tripod boiler,' on the 10th of April, 1886, and such application was allowed on the 30th of the same month. Thereafter and before the issuance of a patent on such application, and on the 1st of June, 1886, the said Goulding made, executed and delivered to the said Hazelton, in consideration of one dollar, an instrument of assignment of all his right,

title and interest in and to the said improvements and the Letters Patent therefor, when granted, and did request and authorize the Commissioner of Patents to issue said Letters Patent, when granted, to the said Hazelton as the sole assignee of his right and title therein.

On the 14th day of December, 1886, Letters Patent No. 349,039, for the so-called 'Tripod boiler' were issued to the said Hazelton as assignee of the said Goulding. The said Hazelton was the true, original and first inventor of the improvements recited and claimed in the said last named Letters Patent, and the same were not nor were either of them the invention of the said Goulding; the use of the name of the said Goulding was accorded by him with knowledge of the purpose or effect thereof and without consideration, and solely with the intent of enabling Hazelton to avoid and evade the effect of his aforesaid assignment and the record thereof; that said improvement and invention and said Letters Patent No. 349,039 were embraced in and covered by said covenant of the 10th of July, 1884, and that as matter of equity and right the plaintiff is now and has been since the issuance of said Letters Patent No. 349,039, the equitable owner thereof, and that the ownership thereof by the said Hazelton is illegal and inequitable and only as trustee for the plaintiff's benefit, and that he ought to be decreed to assign and transfer, by a good and sufficient legal title, the said Letters Patent and the full and exclusive ownership thereof to the plaintiff under and pursuant to his covenant and agreement in that regard.

Hazelton commenced the manufacture and sale, in the City of Chicago, of boilers constructed in accordance with said Letters Patent No. 349,039, and is now so engaged in constructing and selling the same, and has derived and received and is now deriving and receiving great benefits and advantages therefrom. The said Hazelton claims that the boilers so manufactured by him are an improvement on the boilers patented by him under the last named two Letters Patent and so asserts; and such manufacture and sale by Hazelton of the boilers containing the inventions and improvements recited and claimed in said Letters Patent No. 349,039 is an infringement of said patent and of the plaintiff's rights as the equitable owner thereof."

The bill prayed a decree of the Court :

(1.) That Hazelton might be compelled by good and sufficient instrument to assign, transfer, set over and convey unto the plaintiff the said Letters Patent No. 349,039, and all his, and a good and legal right, title and interest in and to the same.

(2.) That, pending the suit, he might be enjoined from selling, assigning, transferring or encumbering, in any way by assignment, grant, license or otherwise, the said Letters

Patent, and the exclusive rights and privileges thereby created and conferred.

(3.) That the plaintiff's title to the said Letters Patent might be adjudged and decreed to have accrued, and have been equitably vested in him on the said 14th day of December, 1886, the date of the patent, and that an account of the profits which the said Hazelton might have made or received, or to which he might be entitled from or by the use of the said Letters Patent might be taken, and that he might be decreed to pay the amount found due.

(4.) That pending the suit he might be enjoined and restrained from manufacturing and selling, or either, any boilers constructed in accordance with or containing the improvements described in the said letters patent; and,

(5.) General relief.

Hazelton filed two demurrers. The second one (p. 16) being wider in its scope, is supposed to have been the one referred to in the opinion of the Court.

Such demurrer was as follows:

(1.) Want of equity.

(2.) Multifariousness, in that the bill embraces two separate and distinct causes of action, one to enforce the specific performance of the contract, the other for infringement of the patent.

(3.) That, as appears by the allegations of the bill, the said patent, No. 349,039, granted to the said Hazelton, is absolutely void, and no suit can be maintained either to compel its transfer or for infringement thereof.

The Court sustained the third ground of demurrer, and did not pass upon the others.

A decree was entered dismissing the bill with costs, and from such decree this appeal has been taken.

The bill alleges that the patent is of value, and that the right to the sole and legal ownership thereof, and to the

enjoyment of the privileges thereby created and conferred, as against Hazelton and those claiming under him, exceeds, exclusive of interest and costs, the sum or value of $5,000.

The assignment of errors is contained in the record (p. 22), and as there printed is here repeated.

Point I.

The decree is appealable.

Gould *vs.* Evansville (91 U. S., 526).

Point II.

The force of the demurrer to the bill for want of equity is not perceived. That a court of equity has power to enforce either a verbal or written contract to assign Letters Patent for an improvement subsequently to be made, is settled by an unbroken chain of authorities. This power was asserted and enforced, with the reasons therefor, by Mr. Justice Bradley, in Aspinwall Co. *vs.* Gill (40 O. G., 1133); by Mr. Justice Gray, when Chief-Justice of Massachusetts, in Somerby *vs.* Buntin (118 Mass., 279); and in the cases of

Burr *vs.* De La Vergne (102 N. Y., 416);
Corbin *vs.* Tracy (34 Conn., 325);
Bonney *vs.* Annan (107 Mass., 94);
Sattherwait *vs.* Martin (4 Del. Ch., 337);
Rumstetter *vs.* Atkinson (4 McArthur, 382);
Nesmith *vs.* Calvert (1 W. & M., 34);
R.R. Co. *vs.* Trimble (10 Wall., 367);
Littlefield *vs.* Perry (21 Wall., 226);
Burke *vs.* Partridge (58 N. H., 349).

Point III.

As to the demurrer for multifariousness, in that the bill embraces two separate and distinct causes of action, one to enforce the specific performance of a contract, the other for infringement of the patent.

In Oliver *vs.* Platt (3 How., 411) this Court said:

"It was well observed by Lord Cottenham, and the same doctrine was affirmed in this Court, that it is impracticable to lay down any rule as to what constitutes multifariousness as an abstract proposition; that each case must depend upon its own circumstances and much must necessarily be left, where the authorities leave it, to the sound discretion of the Court."

Pomeroy says (Pom. Eq. Jur., Sec. 369):

"Although when the assignment is executed there is no present certain right of property in the assignor which can be transferred, yet in the view of equity the instrument operates at least as an executory agreement on the part of the assignor and creates a present obligation resting upon him with reference to the land, which obligation, though now contingent, might in future become absolute. If therefore, at a subsequent time the contingency happens and a certain present property thereupon rests in the assignor, the obligation, now become absolute, at once attaches to it. By virtue of that obligation this property or estate of the assignor ought to be conveyed to the assignee by an efficient legal assurance and equity, regarding what ought to be done as done, treats the property as transferred and the assignee as vested with the complete beneficial ownership."

In Aspinwall Co. *vs.* Gill (*supra*) Mr. Justice Bradley said:

"If the assignment of improvements to be made in future does not convey a legal interest in a patent taken out for such future improvement, yet, if valid at all, it certainly conveys an equitable interest entitling the assignee to call upon the holder of the legal interest for an assignment thereof to the extent of the equity."

In Littlefield *vs.* Perry (21 Wall., 226) this Court said:

"An assignment of an imperfect invention, with all improvements upon it that the inventor may make, is equivalent in equity to an assignment of the perfected results. The assignment in this case being such a one, the assignees became in equity the owners of the patent granted upon the perfected invention. Littlefield took the legal title in trust for them and should convey. Courts of equity in proper places consider that as done which should be. If there exists an obligation to convey

at once such Courts will oftentimes proceed as if it had actually been made. A court of equity will in such a case give the same effect to an equitable title that it would to one that was legal."

If Hazelton took the legal title in trust for the plaintiff he should convey it to him. Equity will treat that conveyance as having been made, and if it ought to have been made has power to arrest the further use of the Letters Patent which it so regards as having been conveyed. Such further use would be as well a violation of the contract as an infringement upon the plaintiff's ownership of the patent.

It is to be conceded that the State Courts have jurisdiction to compel the specific performance of an agreement to convey a future patent, but when the plaintiff couples with his prayer for a decree for specific performance a prayer for an injunction to prevent the defendant from infringing, then, and in the language of the Court in Continental Co. *vs.* Clark (100 N. Y., 368):

"It cannot be said, where a suit is brought upon a contract relating to a patent where it is sought to prevent an infringement upon the rights of the patentee that the case presented arises exclusively under a contract and not under the patent laws. It may arise under a contract so far as an interpretation of the same is required and demanded, but where it is sought, in addition, to prevent an infringement of the patent and by injunction to restrain the defendant from an invasion of the plaintiff's rights in the use of the patent, it cannot be claimed that it does not arise under the patent laws, and that by seeking relief against an infringement upon the rights of a patentee there is no interference with the jurisdiction conferred upon the Courts of the United States in such a case. * * * Here is the dividing line, and a State Court cannot grant relief beyond its jurisdiction as an incident to other relief which is within its power. It may determine what the contract is and in whom the title to the patent is vested, but it has no right to say that a party shall be enjoined from using a patent or in any way to pass upon any question arising as to its infringement."

This was reaffirmed in Hat Sweat Co. *vs.* Reinoehl (102 N. Y., 167).

In Littlefield *vs.* Perry (21 Wall., 222), this Court said:

"To determine the suit, therefore, it is necessary to enquire whether there has been an infringement, and that involves a construction of the patent. An action which raises a question of infringement is an action arising "under the

law," and one who has the right to sue for the infringement may sue in the Circuit Court. Such a suit may involve the construction of a contract as well as the patent, but that will not oust the Court of its jurisdiction. If the patent is involved it carries with it the whole case."

In addition to the question of infringement involved, the Court below had jurisdiction by virtue of the citizenship of the parties, the plaintiff being a citizen of the State of New York and the defendant a citizen of Chicago, and the suit having been brought in the Circuit Court for the Northern District of Illinois.

If the plaintiff were entitled to recover he was entitled to be decreed to have been the owner of of the patent in question from the date of its issue; to be entitled to an assignment thereof; to an account for profits *ad interim:* and to an injunction to restrain its further infringement as violative of both contract and patent right.

There was no necessity, the Court having jurisdiction of the parties and of the subject matter, to divide the plaintiff's claim into two suits in equity, especially as the use and sale of the improvement was in violation of the express covenant in the contract not to assign the invention to others, and of itself sufficient to warrant an injunction. This contract right to an injunction was not weakened by having added to it the patent right.

The general rule is that the plaintiff is entitled to any relief "agreeable to the case made by the bill" (English *vs.* Foxhall, 2 Peters, 612).

Hazelton is using the patent and making and selling the "Tripod boiler." If he has no right as against the plaintiff to do this, and the plaintiff is the owner of the patent, the Court has a right to arrest further infringement by injunction, and a bill which asks that Hazelton may be compelled to transfer the legal title to the patent to his *cestui que trust* and be enjoined from further infringing it as against him is not multifarious within any known definition of that technical word.

Such a joinder of prayers was not considered a misjoinder in the sense of multifariousness in the cases above

cited. Such cases, moreover, decide the right of a *cestui que trust*, and the power of the Court to compel a transfer of the legal title to the one who has the better right, and such power was claimed and asserted by this Court in Stark *vs.* Starrs (6 Wall., 419), where it said:

"Where one party has acquired the legal title to property to which another has the better right, a court of equity will convert him into a trustee of the true owner and compel him to convey the legal title."

And it will so compel him as of the date when such conveyance should have been made, and will hold him responsible for his contract subsequent to such date.

Whether the injunction were prayed in this suit or in a new one on the patent by a bill setting up the facts, Hazelton would be estopped by his conduct and by the contract and its consideration from setting up that the invalidity of the patent which he obtained in the form in which it now is for an invention which he made authorized him as against this plaintiff to continue to make and sell such patented improvement, and to undertake to give others the right so to do.

Hazelton made the invention, and he originated the fraud by which the plaintiff was to be deprived of it. He would not trust Goulding. He required him to assign the application, and on that he obtained the patent in his own name. Clearly, therefore, Hazelton is estopped from saying that such patent is not covered by the agreement, and that whether he or Goulding were the inventor, or whether the patent would or would not be enforceable in the hands of the plaintiff as against third persons.

Under these circumstances, Hazelton is not permitted to say: "I have purposely procured a patent which I know to be invalid. You also know it so to be, but the public does not. Therefore, and because the patent is invalid, I can retain it as against you, and because of the ignorance of others I can enforce it as against them."

"If there was any fraud, it does not lie with the patentee or his assigns to allege his own fraud on the Government to avoid the effect of his prior assignment." (Ruggles *vs.* Eddy, 5 Fish. Pat. Cas., 585.)

Point IV.

As to the demurrer, because it appears by the allegations of the bill that the patent is absolutely void and no suit can be maintained either to compel its transfer or for infringement thereof.

The position of the plaintiff does not seem to have been so well stated by him in his bill as that it was correctly understood by the Court below.

That position was and is this:

I.—It was the intent of the parties that the plaintiff should become the sole legal owner of all inventions and of all patents which Hazelton might obtain for improvements in horizontal and upright boilers for stationary, portable and marine purposes, and in locomotive boilers, and in the plan or construction of boilers of any kind. The possible motives, beyond the consideration of $10,000 for this agreement, are stated by Mr. Justice Bradley in Aspinwall Co. *vs.* Gill (*supra*).

II.—Hazelton has obtained a patent for an improvement of the designated kind.

III—By the contract Hazelton agreed to assign any patent which he might "obtain" of the designated character. He did obtain the patent in question by soliciting, under the assignment from Goulding, the issuance of such patent to himself as Goulding's assignee, and he therefore obtained the patent within the meaning of the contract, and holds it in subordination to the plaintiff's better right.

IV.—If, on the other hand, the interpretation of the contract is that it requires Hazelton to assign such patents only as he obtained as an inventor, then, as matter of fact, Hazelton, and not Goulding, was the inventor of the improvement for which the patent in question was issued; so that under either interpretation of the word "obtain" he holds the patent for the plaintiff's use and as his trustee.

V.—Hazelton's agreement was not that he would assign a valid patent, or an invalid patent, but was that he would assign "any and all patents I may hereafter obtain from the United States or the Dominion of Canada" for the designated improvement, leaving it to the law thereafter to say whether such patent was or was not maintainable. If such an agreement be, as the authorities above cited show that it is, a valid one and one capable of being enforced in equity, then it ought not to be permitted to Hazelton, when a suit is brought against him to enforce it, to assert that though he did obtain the patent he was not the inventor and therefore that the patent is void, and therefore, also, that he ought not to be compelled to assign it, and yet this is precisely the purport of the demurrer.

It is true that the bill alleges that Hazelton was the inventor. The demurrer admits this fact (Pullman Co. *vs.* Missouri, 115 U. S., 596), and therefore Hazelton says that "because I admit the fact by demurrer the allegation, coupled with the admission, proves that the patent is invalid and therefore I have a right to retain it and manufacture and sell under it and cannot be compelled to transfer it to the plaintiff." This ought not to be the law. *Nemo ex suo delicto meliorem suam conditionem facere potest.*

The agreement between the parties having been intelligently made for the purpose of conveying to the plaintiff the sole and exclusive legal title to the designated improvements, ought not to be susceptible of evasion by permitting Hazelton to say "I have defrauded the Government and left the plaintiff remediless."

VI.—But the patent in question is on its face valid and in the name of Hazelton is outstanding and in use by him. He can and does use it for the purpose of depriving the plaintiff of the market which he would otherwise find by supplying such market with a boiler which Hazelton says is patented and for which he exhibits Letters Patent of the United States, which, on their face, are valid, and which

cannot be attacked in any collateral action such as is the present suit.

In the case of Mahn *vs.* Harwood (112 U. S., 365), Mr. Justice MILLER said:

"The doctrine is well established that a grant by the Government within its lawful authority, evidenced by a patent under its seal and the signature of the Executive, cannot be impeached collaterally. It must be recognised as valid in all Courts when it is introduced as evidence of the right which it confers and can only be avoided by a direct proceeding by way of *scire facias* or bill in chancery to set aside the grant for some of the reasons which made its original issue a wrongful act."

VII.—This suit determines nothing as to the validity of the patent in question. If the decree remains standing it would be of no force or efficacy in a suit to be brought upon the patent by Hazelton, nor would it be any evidence of any kind in such a suit against the validity of the patent. As was said by Mr. Justice Hunt in Celluloid Co. *vs.* Goodyear Co. (13 Blatch., 385) "it would be *inter alios acta* and not competent," or, as was said by this Court in Mowry *vs.* Whitney (14 Wall., 441):

"A suit by an individual could only be conclusive in result as between the patentee and the party suing, and it would remain a valid instrument as to all others."

Therefore, the patent remains, with all its presumptions and with all its benefits in the hands of Hazelton, to be used by him as and when he pleases, as deterring others from becoming the customers of the plaintiff and without remedy on the part of the plaintiff.

The allegations in the bill are precisely the allegations which the statute authorizes to be interposed by a defendant, but which the statute does not authorize to be used by a plaintiff for the purpose of avoiding the patent.

The statute (R. S., § 4920) provides that:

"The defendant may plead in any suit in equity for relief against an alleged infringement that the plaintiff was not the original and first inventor or discoverer of * * * the thing patented."

That is a matter of defense and not of attack and if found to be true,

"Judgment shall be rendered for the defendant with costs."

Therefore the law has anticipated precisely the state of facts alleged in the bill and has determined the consequence thereof, namely, that when so proved a defendant sued as an infringer should have judgment in his favor. The law has not provided that a defendant may convert himself into a plaintiff and file a bill containing the statutory allegations and as a consequence have the patent adjudged to be void.

Inasmuch, therefore, as the law permits a patentee who was not the original and first inventor or discoverer of the thing patented to retain his patent and to utilize the same commercially so far as he can and to institute suits thereon for infringement, in which he throws the burden upon the defendant of setting up the statutory defense, such patent has sufficient validity in the hands of the patentee to be of value to him and cannot therefore properly be asserted to be an instrument void upon its face. If it has any vitality Hazelton ought not to be allowed to utilize it.

It results, therefore, that the patent is good upon its face and is good in law unless defeated by proof of extrinsic circumstances. The plaintiff, therefore, is entitled to it to enable him to make, without molestation, such a boiler as the patent claims and also to enable him to sell to others to use such a boiler. He has the right to be freed, as well on his own behalf as on behalf of his customers, from any claim upon the patent which he might be compelled to defend, and he has a right also to sell to others the patented boiler free from any claim thereon.

Again: This suit is not to enforce a patent but to compel the performance of an agreement to convey one. The judicial inquiry therefore is, was there such an agreement and has the defendant the patent? If this is answered in the affirmative, then equity directs the conveyance and awards the *ad interim* profits. Whether the patent is or is not

voidable upon some statutory ground is a collateral question, pure and simple, and as such it is not properly to be investigated, as it most certainly cannot be effectively decided in a suit to compel the transfer of the patent. Unless this be the rule, then every defendant can prevent specific performance by alleging and proving the statutory defenses which defeat the patent. He may cross-examine the plaintiff to prove these defenses and thus to defeat the specific performance He may argue:

"The plaintiff has the knowledge of these statutory defenses. I will prove them by him or by his bill of complaint, and either mode is sufficient as between ourselves to enable me to defeat the suit and to retain the patent, with all the profits, which I have made therefrom."

It is not believed that this argument will commend itself to a court of equity. The proper answer would seem to be:

"You have the patent which you have agreed to transfer. Upon its face and in this suit it is valid and you must convey it and account for the profits. Whether the plaintiff can enforce the patent is not now before the Court, and even if he were unable so to do, that fact does not constitute any reason why you should nof fulfill your agreement."

Point V.

It is believed that the case of Ambler *vs.* Whipple (20 Wall., 546) is both a precedent and an authority for this position of the plaintiff.

Whipple and Ambler were joint patentees of patent No. 92,687. Whipple and Ambler appeared to have made an improvement on their invention. Whipple conceived the design of excluding Ambler from any benefit of the invention; ignored his rights and character as joint owner and patentee; debarred him from the workshops; denied him all interest in the results of his labors and introduced Dickerson, in the absence of Ambler, to the place where the ex-

periments had been made, and Dickerson in a few days applied for a patent, which was afterwards issued (No. 95,665), which embodied the invention of Ambler. The supplemental bill averred that since the filing of the original bill an additional patent (No. 102,662) had issued to Dickerson and Whipple, and that it was for the same invention as that made by Whipple and Ambler and patented to them by patent No. 92,687. The answer denied this and asserted that the invention patented was one of Whipple and Dickerson. The Court said :

"The undisputed facts of the case, taken in connection with much other testimony of a direct character, convince us that Whipple, in violation of his trust to Ambler and in fraud of his rights, deliberately entered upon a scheme by which Ambler was to be deprived of the benefits resulting from success in their joint experiments. That in pursuit of this scheme he called in Dickerson, who, without having invented anything, and in a remarkably short space of time, procured Letters Patent to issue to himself and Whipple, which embraced the results of Ambler's discoveries and experiments, whether they embraced anything else or not. For all that has come to Whipple, for all that is included in the patents to him and Dickerson, he is, under the terms of the sixth article of the agreement, a trustee for Ambler to the extent of one-half, and must be so charged and held to account in this proceeding. As to Dickerson, while he is not a trustee under that article, we are of opinion that he has so far knowingly connected himself with and aided in the fraud on Ambler that he cannot resist Ambler's right to an undivided half of both the patents to Dickerson and Whipple and of the profits made or to be made out of them. A decree must be entered declaring Whipple and Dickerson to hold in trust for the benefit of Ambler to the extent of one-half the two patents issued to them mentioned in the pleading as Nos. 95,665 and 102,662; and that an accounting be had as to the profits realized by them or either of them from the use or sale or otherwise of said patents."

This Court did not in that case hold that the fact that Ambler was a joint inventor or that Ambler and Whipple were the inventors of that which was patented to Dickerson alone, and of that which was patented to Dickerson and Whipple alone, as showing that the patents were void in law, or upon their face, and therefore as disentitling Ambler to recover for his interest therein.

Dickerson, in this case, occupied the precise position of Goulding. He had applied for the patent and had pro-

cured it, and then had given Whipple an interest therein This Court did not see that those facts debarred Ambler from his right to recover.

There is also another case which seems, so far as the report is concerned, to be an analagous one, viz., Searle *vs.* Hill (35 N. W. Rep., 490), though it is not affirmatively stated in the report of that case that the invention was a joint one.

The argument thus far has contended that the patent in question was not void upon its face, but is presumptively a good and valid patent in the hands of Hazelton; that it cannot be collaterally attacked in this action; that in Hazelton's possession it enables him to destroy the plaintiff's business, and to molest him therein by asserting to his customers that he has no right to manufacture that particular patented boiler, and that the only relief which the plaintiff or his customers can obtain against Hazelton on that patent is, by setting up the defense provided by statute, that Goulding was the inventor and not Hazelton, a defense which may not be known to anyone except this plantiff, and which certainly does not appear upon the face of the patent, and which would involve large and continued costs and expenses, and also the continued lives of Hazelton and Goulding.

The Court below says, in its opinion:

"There can be no doubt, I think, on the assumption that the statements in the bill are true, that this patent is void in the hands of Hazelton at the present time; * * * and if this Court should grant the prayer of this bill, and decree an assignment of this patent to complainant, the Court would put complainant in a position to impose upon the public by a fraudulent and void patent, as, according to the bill, Hazelton has been doing."

This position does not seem to be sound in law. There is no suggestion in the bill that the plaintiff desires anything more than to be possessed of this patent, so as to stop Hazelton and those claiming under him from using it as a patent and thus deterring others. It cannot rightfully be said that the bill avers that the plaintiff desires to use the patent in the language of the Court below, "to impose

upon the public by a fraudulent and void patent." The suggestion is gratuitous. But if the plaintiff could not enforce the patent that inability ought not in equity to constitute a reason why it should be left in Hazelton's hands with full liberty to him to try to enforce it against the plaintiff and his customers.

What the plaintiff is striving to accomplish by the bill is to get a patent, which of right belongs to him, and which, whether it be void or good, he is entitled to have for the purpose of protecting his own title and that of his vendees, to make boilers containing the improvement which he alleges, as matter of fact, was made by Hazelton. The existence of this patent creates a cloud upon the plaintiff's clear right to make, and to sell to others to be used, the "Tripod boiler," and he has a right to maintain this suit to have that cloud removed, even though he might be able to show, by extrinsic circumstances, that the patent was void were he sued thereon as an infringer. The rule in this regard is thus stated in Pomeroy (Pom. Eq. Jur., Vol. 3, p. 427, *et seq.*).

"Where the instrument or proceeding constituting the alleged cloud is absolutely void on its face, so that no intrinsic evidence is necessary to show its invalidity; and where the instrument or proceeding is not thus void on its face, but the party claiming under it, in order to enforce it, must necessarily offer evidence which will inevitably show its invalidity and destroy its efficacy; in each of these cases the Court will not exercise its jurisdiction either to restrain or to remove a cloud for the assumed reason that there is no cloud. While this doctrine may be settled by the weight of authority, I must express the opinion that it often operates to produce a denial of justice. It leads to the strange scene, almost daily in the courts, of defendants urging that the instruments under which they claim are void, and, therefore, that they ought to be permitted to stand unmolested; and of judges deciding that the Court cannot interfere because the deed or other instrument is void; while, from a business point of view, every intelligent person knows that the instrument is a serious injury to the plaintiff's title, greatly depreciating its market value; and the Judge himself, who repeats the rule, would neither buy the property while thus affected, nor loan a dollar upon its security. This doctrine is, in truth, based upon mere verbal logic, rather than upon considerations of justice and expediency."

On this point, see the authorities cited by Mr. Justice FIELD in Sharon *vs.* Terry (36 Fed. Rep., pp. 349 to 352).

In Pearsall *vs.* Elliott (6 Peters, 98), this Court said:

"The principal object of the bill was to quiet the title by removing the cloud hanging over it in consequence of the outstanding deed. * * * This application is resisted upon the principle that the deed having been declared by this Court to be void on its face, can do no injury to the plaintiffs, who ought not, therefore, to be countenanced by a court of equity in an application to obtain the surrender of a paper from which they can have nothing to apprehend; by which application the defendants are exposed, without reasonable cause, to unnecessary expense. That under such circumstances a court of equity can have no jurisdiction over the cause. The Court is well satisfied that this would be a proper case for a decree according to the prayer of the bill, if the defectiveness of the conveyance was not apparent on its face, but was to be proved by extrinsic testimony. * * * The question whether a court of equity ought, in any case, to decree the possessor of such a paper to surrender it, is involved in considerable doubt. * * * Lord Eldon inclined to favor the jurisdiction (Bromley *vs.* Holland, 7 Ves., 3; Jackman *vs.* Mitchell, 13 Ves., 581).

"In Hamilton *vs.* Cummings (1 Johnson's Ch. Rep., 517) Chancellor Kent concludes a very able review of the cases on this subject with observing: 'I am inclined to think that the weight of authority and the reason of the thing are equally in favor of the jurisdiction of the Court, whether the instrument is or is not void at law, and whether it be void from matter appearing on its face or from proof taken in the cause, and that these assumed distinctions are not well founded.' The opinion of this learned Chancellor is greatly respected by this Court. He modifies it in some degree by afterwards saying: * * * 'Perhaps the cases may all be reconciled on the general principle, that the exercise of this power is to be regulated by sound discretion, as the circumstances of the individual case may dictate, and that the resort to equity to be sustained, must be expedient, either because the instrument is liable to abuse from its negotiable nature, or because the defense not arising on its face may be difficult or uncertain at law, or from some other special circumstance peculiar to the case, and rendering a resort here highly proper and clear of all suspicion of any design to promote expense or litigation.' The Court forbears to analyze and compare the various decisions which have been made on this subject in England, because, after considering them, much contrariety of opinion still prevails, both on the general question of jurisdiction, where the instrument is void at law on its face, and on the expediency in this particular case of granting a perpetual injunction, or decreeing the deed to be delivered up."

It is quite clear, therefore, that equity has not yet decided that a patent for an invention, which patent is valid on its face and which cannot be impeached in a collateral action and which constitutes a cloud upon the plaintiff's

right, cannot, by a court of equity, be directed to be transferred to the owner of the real title to the thing patented, for his protection, and for that of his customers, who constitute the public, even though such patent might be defeasible under the statute by proof of statutory extrinsic circumstances.

Point VI.

If this reasoning is sound the decree below should be reversed, with instructions to the Court to enter a decree in conformity with the prayer of the bill.

BANNING & BANNING,
CLARENCE A. SEWARD,
Of Counsel for Plaintiff.

IN THE

SUPREME COURT

OF THE UNITED STATES.

OCTOBER TERM, A. D. 1888.

JOHN P. KENNEDY, *Appellant*,

vs.

MILTON W. HAZELTON, *Appellee*.

NO. 1,081.

BRIEF FOR APPELLEE.

SUBMITTED UNDER THE 20TH RULE.

The bill seeks to enforce the specific performance of a contract, and prays that the appellee, Hazelton, be decreed to convey to the appellant, Kennedy, Patent No. 349,039, and that Hazelton may account for profits received by him from the manufacture of boilers made in accordance with such patent.

The first five paragraphs of the bill are introductory. Paragraph VI. avers that on the 10th of July, 1884,

Hazelton assigned to Kennedy a half-interest in two patents for improvements in boilers, and that on the same day Hazelton agreed, by a separate instrument in writing, to assign to Kennedy any U. S. patents which he, Hazelton, might thereafter obtain for improvements made by him in boilers, which agreement is recited in full, page 4 of Record.

We quote from the agreement so much as is important for this brief.

"I hereby agree to assign and transfer to the said "Kennedy, his legal representatives and assigns, any and "all patents *I may hereafter obtain* from the United States "or the Dominion of Canada for the following inventions, "to wit: * * * And I do hereby agree and undertake "not to assign *the aforesaid inventions which I may make* "or the patents *obtained thereon* to any other person."

That appellant understood this agreement to relate only to such patents as were obtained for inventions which Hazelton might personally make, is evident from the bill, as the gravamen of the action, or the foundation for relief, is based on the allegations that the invention was actually made by Hazelton, and by him fraudulently communicated to Goulding in order "to evade his covenant of the 10th of July, 1884" (*p. 7*), and that Goulding permitted the use of his name "solely with the intent of "enabling the said Hazelton to avoid and evade the effect "of his aforesaid assignment." (*P. 8.*)

The bill practically admits, that if Goulding was the true inventor, and Hazelton took his title by assignment honestly, then appellant has no claim to the patent or standing in court.

Paragraph XII of the bill (*p.* 7) alleges that Goulding filed his application for the patent April 10, 1886; that it was allowed April 30, 1886; that it was assigned to Hazelton June 1, 1886; and that it was issued to Hazelton, as assignee of Goulding, December (September) 14, 1886.

The applicant is required to make oath that he is the inventor, and the patent is *prima-facie* evidence that he was the inventor.

R. R. Co. v. *Stimpson*, 14 Pet. 448.
Roemer v. *Simon*, 95 U. S. 214.

The grant of a patent gives the patentee the *prima-facie* right, and the burden of proof is on the party disputing it.

Allen v. *Hunter*, 6 McLean, 303.

The presumption of a patent is that the patentee is the inventor.

Blanchard v. *Puttman*, 3 Fish. 186.
Crouch v. *Spear*, 1 B. & A. 145.

In view of these allegations of the bill and the law cited, it is not necessary for Hazelton to assert anything at all. The law is that Goulding was the true inventor, and that Hazelton is his legal assignee, and the burden is on appellant when he attempts to overcome the legal presumptions.

Taking up this burden, how does he propose to overcome the *prima-facies* which are against him?

Paragraph XII of the bill charges that Hazelton con-

federated with one Goulding to evade and avoid the effect of the said transfer of July 10, 1884, and procured Goulding to make, in his own name, an application for a patent for an improvement in boilers invented by said Hazelton, and that Goulding, by the procurement of Hazelton, did file an application for a patent for the said improvement, and, after an allowance and before the issue of the patent, the said Goulding assigned the said invention to the said Hazelton, and Letters Patent No. 349,039 were issued to Hazelton as Goulding's assignee. (*See Record, bottom p. 6; all p. 7.*)

The next paragraph of the bill (*see top of p. 8, Record*) avers "that the said Milton W. Hazelton was the true, "original, and first inventor of the improvements recited "and claimed in said last-named letters patent, and that the "same were not nor was either of them the invention of "the said Henry C. Goulding; that the use of the name "of the said Henry C. Goulding was accorded by him "with knowledge as aforesaid of the purpose or effect "thereof and without consideration, and solely with the "intent of enabling the said Hazelton to evade and avoid "the effect of his aforesaid assignment and the record "thereof."

It will thus be seen that appellant proposes to overcome the *prima facies* of the patent grant by stating such a method, and by making such allegations as render the patent void *ab initio*, and utterly worthless either in his own or in Hazelton's hands; and he further so states his case that, unless the entire proceedings at the patent office is a gross fraud, he has no right.

The bill prays, among other things, that said Hazelton

may be compelled to assign said Patent No. 349,039 to the appellant.

The appellee, Hazelton, filed two demurrers to the bill, one (*Record, p. 15*) to so much thereof as seeks the assignment of said Patent 349,039, because such patent is, according to the allegations of the bill, absolutely void, and the court should not decree the assignment of a void patent. This demurrer also sets up that the facts set forth in said portion of the bill are not sufficient to give the court jurisdiction as to the subject matter thereof.

The other demurrer (*Record, p. 16*) is to the whole bill, and sets forth as causes of demurrer that the complainant has not in his bill made such a case as entitles him in a court of equity to any relief.

Also, that the bill embraces two separate and distinct causes of action; one to enforce specific performance of a contract, and the other for the infringement of the patent.

Also, that it appears by the allegations of the bill that said Patent 349,039 is absolutely void, and no suit can be maintained either to compel its transfer or for the infringement thereof.

The court below sustained the demurrers and dismissed the bill, but did not consider the question of multifariousness (see opinion, bottom p. 17, Rec.), from which order of dismissal the complainant below appealed.

For assignment of errors see p. 22, Rec.

The first error assigned is that the court erred in dismissing the bill.

STATUTES AND AUTHORITIES.

Sec. 4886 R. S., provides that "Any person who "has invented or discovered any new and useful art.... "may, upon payment of the fees required by law, and "other due proceedings had, obtain a patent therefor."

Sec. 4892 provides that "The applicant shall make "oath that he does verily believe himself to be the orig- "inal and first inventor or discoverer of the ..... im- "provement for which he solicits a patent," etc.

Sec. 4895 provides for the issuing of patents to an assignee, but also provides that "the application shall be "made and the specification sworn to by the inventor or "discoverer."

Sec. 4920, relating to defenses, makes the fact that the patentee was not the original and first inventor or discoverer of any material or substantial part of the thing patented, a good defense.

A patent is void if the invention patented was not originally discovered by the patentee.

Evans v. *Eaton*, 3 Wheat. 454.

A party can take nothing by a void patent.

Evans v. *Eaton*, 7 Wheat. 356.

A patent embracing the invention of another is void.

Watson v. *Bladen*, 4 Wash. 580.

A patent issued to an alien upon a false affidavit of citizenship is not voidable, but void. *Mini's Assignee* v. *Adams*, 3 Wall. Jr. 20.

If it appears from the records of the Patent Office in evidence that the statutory requirements have not been

complied with, it is the duty of the court to hold the patent void. *Whitely* v. *Swayne*, 4 Fish. 117.

One who has obtained the whole idea of an invention from another cannot obtain a valid patent upon it for himself. *Atlantic Works* v. *Brady*, 107 U. S. 192.

The appellee, Hazelton, does not admit as a matter of fact that he confederated with Goulding and procured him to make a false oath and obtain a patent for that which he, Hazelton, had invented, but the bill avers such to be the fact, and, for the purposes of the demurrer, the statements of the bill must be taken as true. It follows that the said Patent No. 349,039 is absolutely void because, according to the bill, Goulding was not the inventor of the improvement therein described and claimed, but fraudulently applied for a patent for that which he knew had been actually invented by Hazelton.

Judge BLODGETT, in his opinion, said as follows:

"There can be no doubt, I think, on the assumption "that the statements in the bill are true, that this patent is "void in the hands of Hazelton at the present time and "would be void in the hands of complainant; that patent "was obtained by fraudulent statements made by Goulding "that he was the inventor; and as Goulding could take "nothing by his false and fraudulent statements so Hazel-"ton took nothing by the assignment of this void patent "from Goulding; and if this court should grant the prayer "of this bill and decree an assignment of this patent to "complainant the court would put complainant in a position "to impose upon the public by a fraudulent and void patent, "as, according to the bill, Hazelton has been doing."

The patent being void, it has no value. The bill therefore lays no foundation for the interference of a court of equity.

It is urged that the court should not inquire into the validity of the patent. The court will not go outside of the record to investigate questions of fact, but will consider conclusions of law which follow from statements of fact contained in the bill.

It was urged below, that as between the complainant and defendant, the patent is valid, and that the defendant is estopped from urging its invalidity.

Judge BLODGETT, in his opinion, answered this point as follows:

"It is urged that it does not lie in the mouth of "Hazelton to object that this patent is void so long as he "has by his own acts given it currency and dealt with it "as valid, and there might be some force in this point if "the bill did not show that the patent is totally valueless "and void *ab initio* from the fraudulent practices by "which its issue was obtained, so that a court of equity "would abuse its high character and prerogative by treating this patent as property. It would be as consistent "for the court to compel the conveyance of lands which a "party held or pretended to hold under a forged deed "when the party seeking to compel such conveyance "knows of the forgery."

It is well settled that a court of equity will not decree the specific performance of an illegal contract.

Hazelton, by his agreement, undertook to assign to Kennedy patents of the United States obtained by him,

Hazelton, for inventions *made by him* relating to boilers. Patent No. 349,039 was not obtained by Hazelton, but was obtained by Goulding, and, according to the bill, is void; is, in effect, no patent and has no value. There was no error in dismissing the bill.

The second error assigned is that the court erred in the reasons assigned for dismissing the bill. It is unnecessary to consider this point, because, if there was no error in dismissing the bill, the reasons assigned for such dismissal are not material.

The third error assigned is that the court erred in holding (*a*), that the patent to Goulding was void as between the parties; (*b*) that Hazelton is not estopped in insisting upon the invalidity of the patent; (*c*) that the court could consider the question of validity.

If the Goulding patent mentioned in the bill is void, it must be void as between the parties to this suit. It cannot be void as against all other parties and be valid as between the parties to this suit.

As to defendant's estoppel. The question of validity or invalidity is not raised by the pleading of the defendant Hazelton; it is a question which arises on the face of the bill. The doctrine of estoppel as presented by counsel for appellant does not, in fact, arise in this case. Appellant having in his bill stated facts from which it appears as a conclusion of law that the patent in controversy is void, he, and not Hazelton, is estopped from claiming that it is valid even as between the parties.

As to the remaining point, whether the court could properly consider the question of validity of the patent. It was not only the privilege but the duty of the

court to consider the facts set forth by the bill and determine whether or not such facts present sufficient grounds for equitable interference.

NOTES ON APPELLANT'S BRIEF.

The contract itself is discussed under Point III., page 6, *et seq.* In the citation from *Aspinwall Co.* v. *Gill* occurs the statement " if valid at all."

In *Littlefield* v. *Perry* the contract for future improvements only covers perfecting the machine sold, and an examination of the case shows that the court only enforced it as to improvements made at the date of the sale.

In *Appleton* v. *Bacon*, 2 Black, 699, the court held that, when a party was employed as an inventor, such a contract only applied to improvements made while such party was so employed, and did not cover subsequent inventions. See, also, to the same point, *Stebbins Co.* v. *Stebbins*, 4 F. R. 445.

The agreement in this case goes farther than the average contract of its kind, and farther than any one that has, so far as we are advised, ever been sustained. It may not be important to discuss the question as to whether the agreement is void or not, but we call attention to the following points:

1. It relates to things not in existence, and therefore void at common law.

2. It not only relates to the kind of boilers shown in the patents sold, but the boilers of all kinds, and is therefore independent of the patents sold.

3. It is practically without consideration.

4. It is without limit as to time.

5. It is practically in restraint of the use of the inventive talent, as no one will exercise such talent for a nominal dollar.

Page 10, Clause I. It is practically asserted that $10,000 was paid for this agreement.. The assignment (*Record, p. 10*) says, "in consideration of one dollar, * * *and other considerations.*" As this agreement only recites the consideration of one dollar, it does not seem reasonable to transfer the $10,000 consideration paid for the two patents assigned, to an agreement to convey that which might never exist. The bill (*p. 4*) asserts that the $10,000 was paid for the two patents.

Clause II. Hazelton has not obtained any patent for any invention made by him.

Clause III. This clause contradicts the entire theory of the bill, and has no foundation in any of its allegations.

Page 11, Clause V, incorrectly states the agreement, as it omits the words "the aforesaid inventions which I may make," on which the sole right to recover is founded in and by the bill.

In the same clause it is insisted that Hazelton ought not to be permitted to assert that, although he got a patent, he was not the inventor. Hazelton makes no such assertion; that assertion is made by the appellant, and Hazelton only calls the attention of the court to the fact that, if appellant's assertion is true, the patent must necessarily be void.

In this clause Hazelton's legal position is attempted to be stated on the ancient history plan of putting a speech

into his mouth. Hazelton makes no such claim as counsel makes for him. His position is simply that, if appellant's allegations are true, there is no patent either to retain or transfer. He accepts the statement of this court in *Appleton* v. *Bacon*, 2 Black, p. 704, that a patent issued to a wrong person must be delivered up and canceled.

Hazelton stands on his legal presumption. It is the appellant, and not Hazelton, who is asserting rights based on a fraud which appellant alone alleges has been practiced on the government.

Clause VI well defines Hazelton's legal position, and, if appellant believes in his charges of fraud, he should pursue the course pointed out in his citation from *Mahn* v. *Harwood* instead of asking a court of equity to transfer the fraud to him. The reasons for not pursuing this course are found on page 13, where counsel suggests that the patent with its *prima facies* has a commercial value, as it cannot properly be asserted that it is void on its face, and can therefore be used for commencing vexatious suits, making threats, etc. He does not, therefore, want the patent canceled or declared void, but wants a court of equity to transfer to him a legal fraud in order that he may perpetrate commercial frauds. Otherwise, why does he want a patent transferred to him which he says he knows was obtained by perpetrating a fraud on the government?

Appellant makes no such showing as takes this case out of the rule stated in Pom. Eq. Jur. vol. 3, p. 427, cited p. 17 of his brief, in relation to clouds.

One cause for demurrer was, that the bill was multi-

farious, because it included an averment of infringement and a prayer for an accounting, etc., therefor. Point III of appellant's brief is devoted to a defense of the right so to do. On page 13 it is asserted that "This suit is not to "enforce a patent but to compel the performance of an "agreement to convey one."

Under the statute cited by appellant, if the court finds that the party obtaining the patent was not the original and first inventor, "judgment shall be rendered for the defendant with costs."

This clause refers to anticipations in and by prior art, and has nothing to do with fraudulently obtained patents or with the facts stated in this bill.

Page 16, it is stated, that "There is no sugges-"tion in the bill that the plaintiff desires anything "more than to be possessed of this patent, so as to "stop Hazelton and those claiming under him from using "it as a patent and thus deterring others." The court can hardly recognize appellant's desire to save Hazelton from evil as a reason for transferring the patent.

CLOUDS ON TITLE.

Authorities relating to clouds on title are cited and argued, but they are pointless, as the bill does not aver the existence of any clouds or of any defects in the title to the two older patents sold.

There is nothing clouded. A later patent does not supplant or cloud an older one. Removing a stumbling block and removing a cloud are two different things. It is one thing to remove a cloud and another thing to make a donation.

Appellant, by his bill, is asking the court to take a fraudulent patent away from Hazelton and to give it to him.

NOTES ON APPELLANT'S AUTHORITIES.

It is claimed that the case of *Ambler* v. *Whipple*, 20 Wall. 546, sustains the appellant's position. The case does not sustain the position. The statement of facts shows that the patents were not exhibited, and that the case proceeded upon certain copartnership articles between Ambler and Whipple, and it was asserted that the patent to Whipple and Dickerson was substantially the same as the older one to Ambler and Whipple, and that, at the time of the filing of the bill, Whipple and Dickerson had realized one hundred thousand dollars out of the patent itself. The court held that Ambler was entitled to an account, and did not pass upon the question as to whether the Whipple and Dickerson patent was a valid patent or not, as all questions relating to the patents were dismissed; and the court states (p. 558), that, as the patents were not present, the opinion would proceed on other principles.

The question as to whether the Whipple and Dickerson patent was a void or a valid patent was not raised, the bill being for an accounting, and, therefore, the question now presented to the court could not have been decided in that case. The bill there proceeded upon the assumption that the patent was valid but unimportant, as the allegations of the bill were, that it did not substantially differ from the older patent. The questions as to the rights of a partner which were there decided have no relation to this suit, based on a naked contract for certain improvements

in which there is no partnership, and where there is no claim that the patent was for the invention of complainant, as there was in the Ambler case.

The authorities relating to the surrender and cancellation of an instrument have no applicability to the case at bar. A court of equity may have jurisdiction to order the surrender and cancellation of an instrument, a sufficient case being made out. It does not follow that a court of equity ought to decree that a patent which the complainant avers was fraudulently obtained and is void, shall be assigned by defendant to the complainant, thus giving an appearance of validity to that which is fraudulent and void on the appellant's showing.

On page 9 of appellant's brief, reference is made to the case of *Stark* v. *Starrs*, 6 Wall. 419, the point being that where one party has acquired the equitable right to property to which the other has the legal title, a court of equity could compel the conveyance of the legal title. The case relates to property. The court recognized the doctrine, but stated that it had no applicability to the case then before the court because no prior or better right to the land in dispute was shown in the plaintiff. To come within the doctrine relied upon, the appellant here must satisfy the court that he has the right to a patent, which, as he asserts, was fraudulently obtained and is void.

On the same page *Ruggles* v. *Eddy* is cited. It does not appear from the case how the suggestion as to the fraud arose, nor on what it was based. It appears that there had been an assignment of a patent, and the

only suggestion is that the patentee could not avail himself of a subsequent fraud to avoid his own assignment. We must repeat, Hazelton is not pleading fraud, the complainant avers it.

We respectfully submit that there was no error in dismissing the bill.

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E. A. WEST,
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Office Supreme Court U. S.
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UNITED STATES SUPREME COURT.

JOHN P. KENNEDY,
Appellant,

vs.

MILTON W. HAZELTON.

Plaintiff's Reply to Appellee's Brief.

I.

It is a familiar rule of equity jurisprudence that, if the plaintiff is entitled to any portion of the relief prayed on the case as made by the Bill, a general demurrer for want of equity will not be sustained.

One of the covenants sued on was:

"Not to assign the aforesaid inventions, which I may make, to any other person, firm or firms, corporation or corporations."

The Bill avers that Hazelton made the invention described, and the demurrer admits the fact.

The Bill alleges (p. 8) that Hazelton has made and sold, and is now making and selling, boilers containing such invention. The demurrer admits that fact.

The Bill avers that Hazelton has derived and received, and is now deriving and receiving great benefits and advantages therefrom. The demurrer admits this fact.

Every such sale was an assignment of Hazelton's right to use and sell his invention, and the plaintiff alleges (p. 8)

that such sale was "an infringement of his rights as the equitable owner thereof," and demands an accounting thereon, irrespective of any question of the validity or invalidity of the patent.

The right claimed was a covenant right, pure and simple, and the Court had jurisdiction thereof by reason of citizenship.

II.

The appellee's brief, to avoid the effect of this portion of the Bill and relief, states that the covenant is void upon the various grounds assigned (pp. 10, 11), and that it was without consideration.

The covenant expresses one dollar, is under seal, and the Bill (p. 7) alleges:

> "I agreed with him to purchase from him his one-half interest in the said last two patents for the sum of $10,000, upon the condition, then assented to by the said Hazelton, that, in consideration of such purchase and sum, the said Hazelton would assign and transfer to me any and all letters patent * * which he might thereafter obtain for improvements * * in boilers, * * and that he would not assign such inventions * * to any other person, firm or corporation."

There was, therefore, a three-fold consideration for the covenant.

Such covenant was not void upon any of the grounds suggested.

The principal ground is that the invention was not *in esse* when the covenant was executed. This is a somewhat familiar objection, borrowed from the common law.

That it has no manner of application to a covenant to convey a future invention of a specific kind when made, or a patent therefor whenever obtained, was shown by the cases cited under Point II. of the original Brief. This particular objection was disposed of in

Union Co. *vs.* Lounsbury (41 N. Y., 363).

Burr *vs.* De la Vergne (102 N. Y., 416), the Court in the last case saying—

"The agreement related to an inchoate invention not perfected or patentable at the time the agreement was made. The plaintiff by the agreement acquired an equitable right, which attached to the interest of the defendant in the patent subsequently issued, and he is entitled to demand a legal title corresponding with his equitable interest."

Hazelton admits that he made the invention. He also admits the allegation (p. 8) in the Bill

"that the use of the name of Goulding was accorded * * * * solely with the intent of enabling the said Hazelton to avoid the effect of his aforesaid assignment, and that said improvement and invention and said Letters Patent were embraced in and covered by said covenant."

This is also admitted by the demurrer, and the case is therefore brought within the cited authorities as one in which the equitable title to both the invention and the patent was secured to the plaintiff, and he is entitled to the remedies of a court of equity to protect the same.

III.

Hazelton's covenant was to assign

"any and all patents I may hereafter obtain."

Whether Hazelton "obtained" the patent in controversy is a question of fact. The patent answers such question in the affirmative, for it was issued to Hazelton directly, as assignee of Goulding. The physical fact, therefore, is that Hazelton "obtained" the patent. If it be suggested that such obtainment was without relevant consequence, unless Hazelton "made" the invention, the answer is that the Bill (p. 8) avers—

"that the said Hazelton was the true, original and first inventor of the improvements recited and claimed."

and the truth of such averment is admitted.

Therefore, and under either interpretation, the plaintiff is the equitable and exclusive owner of the right, as against Hazelton, to make, use and vend the designated improvement, and he should account therefor, and be compelled to surrender his muniment of title, which accords to him alone such exclusive right.

The suggestion that the agreement goes further than preceding agreements, in that it covers "boilers of all kinds," is sustained by the third clause only of the covenant, and such clause is not now in controversy.

The bill (p. 3) alleges that the two purchased patents (224,685 and 247,910) were for "improved sectional boilers," and that Hazelton stated (p. 5) that the tripod boiler was an improvement upon the boilers so as aforesaid patented, *i. e.*, upon the sectional boiler, and Hazelton is making one and the same upright and stationary boiler containing the three patented improvements. These admitted facts bring the covenant and the case within the authorities as one which equity will enforce, and protect as often as justice may require. The "Tripod Boiler" (p. 5) divides the standpipe of the two previous patents into two or three hollow water-legs, extending through the brickwork enclosure of the boiler, and terminating at the floor level of the boiler room, thereby instructing everyone that the improvement was upon an upright and stationary boiler, such as described in clause one of the covenant, and in the two original patents.

Certainly, Hazelton ought not in equity to be allowed to retain the $10,000, and then to say, "my covenant was so broad, and had so long to run, that it is void."

If the third stipulation in the covenant be too broad, the first and second are good, and are susceptible of being enforced in equity.

U. S. *vs.* Bradley (10 Peters, 360).
Gelpcke *vs.* City (1 Wall., 222).
U. S. *vs.* Hodson (10 Wall., 408).

IV.

As was urged in the original brief, the patent is *prima facie* valid in the hands of Hazelton, and gives him an apparent right to make, use and vend, to the exclusion of the plaintiff, and of all his customers, the thing patented. The validity of such patent cannot be contested, or judicially decided in this action.

If the plaintiff be the equitable owner of the invention, and of the patent, he is entitled to have this instrument, which is a cloud upon his otherwise clear right to make and sell to his customers the thing patented, surrendered to him; and some other and more attractive and controlling reason ought to be found for denying his request in that regard than that Hazelton has been successful in inventing a new and fraudulent process for avoiding the effect of a lawful agreement.

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